

UBS Ordered to Pay \$3.86 Million to 'YES' Investors

by Miriam Rozen May 6, 2022



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A Financial Industry Regulatory Authority arbitration panel awarded \$3.86 million in compensatory damages and attorney fees to a Houston couple that had invested in UBS Wealth Management USA's embattled Yield Enhancement Strategy—the latest in [a string of mixed decisions](#) for the wirehouse.

In this most recent case, John Oren and his wife, Elise, accused UBS of breach of fiduciary duty, negligence and violation of federal and Texas securities laws and sought between \$1 million and \$5 million, including punitive damages, according to the arbitrators' award signed May 5.

The wirehouse broadly denied all the claims, but the all-public arbitration panel awarded the Orens \$2,896,972.00 in compensatory damages and \$965,657.33 in attorneys' fees. The three-person panel also assessed \$24,500 of \$28,000 in hearing fees to UBS, while splitting obligations for the remaining \$6,400 in hearing-related fees between the sides.

John Oren, who is the founder and chief executive officer of two Houston logistics companies TUYA and Hot Shot Final Mile, told AdvisorHub that the couple has “completely severed” all ties with UBS and their former brokers and have, at least temporarily, opted to avoid professional wealth planners altogether.

“People who have worked really hard all their lives to build up savings, of some sort, have to be extremely cautious about listening to *supposed* financial experts who, in many cases, are *not*,” he added.

Oren said he was “delighted” with the arbitration outcome, although the panel denied his claim for punitive damages. The total still covers their initial investment, the fees they had paid UBS on the YES accounts, the returns they could have earned if they had not been in the fund, and their attorney’s fees.

Some 1,400 people invested \$5.6 billion in the YES strategy and UBS brokers nationwide and losses have grown to over \$1 billion, according to Oren, who cited testimony from UBS witnesses during the arbitration hearings.

The YES strategy, an options strategy that was billed as market neutral and which UBS brokers allegedly imported from Credit Suisse in 2015, went awry during market volatility in 2018 and again in 2020. It has spawned a raft of litigation, including a proposed class action although panels have outright denied claims or awarded substantially less than the requested damages in other cases.

The Orens and other YES investors are sophisticated investors, UBS has argued in its defense in these cases. Oren disputed that categorization.

“The only element that you need to have to be considered a sophisticated investor is a net worth of more than a million dollars,” he claimed. “That’s absolutely not the case in many, many, many instances.”

Oren’s lawyer, Jeffrey Erez of an eponymous firm in Miami, said he is representing 20 other YES-related claimants against UBS, but this was his first and only decision issued so far.

A UBS spokesperson declined to comment. The firm has prevailed entirely in 15 out of 28 awards in YES-related cases, and claimants have received some compensation in the remaining 13.

UBS closed the YES strategy to new investors roughly three years ago, Erez said.

UBS ultimately did not pursue expungement on behalf of two Houston brokers on the Oren accounts, according to the award. The two brokers, who were not named as defendants in the Orens' complaint, are Marc Laborde and Francis "Frank" Amsler. They left [in 2020](#) the wirehouse for Rockefeller Capital Management.

The pair moved with another broker and two client associates and had managed \$600 million in assets, a source said at the time.

The two brokers each have multiple YES related disclosures on their records. The majority of those are pending complaints, but they also include an arbitration ruling against UBS in late March requiring it to pay \$1.18 million to investors who made many of the same allegations as the Orens', according to the BrokerCheck records and the arbitration award. That complaint also did not name the brokers as defendants.

Both Amsler and Laborde have each said comments to their record about the YES disclosures that they had not "deviated from the complete and proper compliance and sales practices of UBS" and that they "guided the client to exit this investment early and mitigated losses" and "acted at all times in the best interest of the client".

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At UBS YES = No no no

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MrOren sounds like he figured out the worthlessness of these so called experts. 95% of them are lazy spoiled idiots

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“Put It On The Board” YES

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